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Subject: Comments on proposed Regulation
Management Improvement

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1. Having reviewed the text of the proposed regulation to establish and operate a Management Improvement Program within the Agency, the following are my impressions:

- 1. GENERAL) These sections appear to be adequate
- 2. DEFINITION)

3. POLICY. Par. 3 a, b and c give the impression that the improvement effort is to be directed at the Agency programs rather than, or to the exclusion of, the more basic need for improvement within the Agency organization, functions, staffing, procedures and control mechanisms.

4. RESPONSIBILITIES. a. Par. 4 b assumes that the Deputies mentioned are management minded and have the necessary knowledge and understanding of management techniques and principles to voluntarily and actively promote a worthwhile management improvement program for the overall good of the Agency without regard to their own self interests. Unfortunately, this is rarely the case. These paragraphs also sponsor the appointment of management analyst groups in each of the major Agency components to carry on, for the Deputy, a Management Improvement Program.

b. As in a above, the proposed Regulation, par. 4 c, assumes that "Office and Senior Staff heads" are management minded, seriously interested in management improvements, and have the necessary time and knowledge of techniques and procedures to "develop, install and maintain" such a program, or will employ analysts to perform this duty for them. The first part of the assumption is not realistic. The normal reaction of heads of operating elements to management improvements through the streamlining of organization, functions and procedures, and especially where any reductions in personnel are involved, is, "get out of the way and let us operate - all we need is more money and more personnel". It seems doubtful that such heads of Staffs and Offices will be overly enthusiastic in 'developing, installing and maintaining' any satisfactory management improvement program without command direction from the Director, carried on through a high level management staff responsible to the Director. The second phase of the assumption, that management analysts be employed in each Staff or Office, seems to be an equally unrealistic solution. No analysts, owing their positions and careers to an Office or Staff head, are going to carry out an acceptable management improvement program as long as they are developing results in the operations under the Staff or Office head which he does not

choose to have exposed.

c. The statements, par. 4 d of the proposed regulation, would be true under any system. Elements of DDA now provide support, guidance and assistance to other Agency components in their specialized fields or areas of responsibility in any effort where such cooperation is necessary. If this statement is meant to imply that a Management Improvement Staff placed in the DDA complex can operate to carry out for the Agency any worthwhile improvement program, it is very unrealistic as proven by present experience, since all other elements can ignore any efforts to install management improvements.

d. Proposed Regulation, par. 4-e, does as much to perpetuate the present ineffective status of the Management Improvement Staff as any that could be conceived. It does not, however, do anything toward making the Management Improvement Staff the keystone in a system which would provide this Agency with the sort of management improvement program evidently envisioned by the President's Executive Order 10072. The terms used in defining the responsibilities of this element add up to a tower of weakness; e.g., "develop", "generally exercise leadership", "assist", "coordinate", "as requested", etc.

5. SCOPE. a. The text of this section concerning the scope of the proposed program omits any reference to corrective action on the overall and component organizational structures, functional distribution, and staffing. Since the proposal places responsibility for the program in the hands of Office and Staff heads, it is fair to assume that they have in the past applied good management practices, so far as they intended to do so and to the extent that they were aware of such principles, and also that they will do little better in the future, without positive direction from the DCI, based on the recommendations of a trained and experienced staff of management analysts. Operating chiefs and their administrative support staffs are concerned with the problems of their operation and have neither the interest in, or approach to, the problem of organizational, functional and procedural improvements and economies necessary under an active management improvement program.

b. A critical look at the proposed scope of the program, pars. 5 a through g, gives the following reaction:

Par. 5-a "Develops realistic and precise plans and programs ---" - no mention of implementation authority nor channels through which it could be obtained. Experience should have taught us that many realistic and precise plans are now snugly resting in filing cabinets because some "office or staff head" did not choose to implement them and the Director was never given an opportunity to consider whether or not he wished to make the improvements.

Par. 5-b provides for a "continuing review and appraisal of objectives,---", again with no authority or implementing provision. If one may believe the present functional statements of the various Agency elements, "objectives, methods and resources" are now being reviewed by so many echelons that an additional review, without means of obtaining corrective action, appears rather unnecessary to say the least.

Par. 5-c provides for the development of " measurement and control systems" which is good except that, again, there are no teeth provided. There are some such systems now operating at various points in the Agency. Unless such systems provide for evaluation by an element interested in management improvement, and whose recommendations can be passed on by the top directive echelon of the Agency, little corrective value will come from the extension of such measurement and control systems. In the hands of operating chiefs, such material frequently becomes a defensive weapon used to justify backlogs and requests for additional personnel, rather than as indicators of possible areas for study and improvement in operations and procedures.

Par. 5-d offers no improvement over present conditions. The management improvement program, as proposed, would be in the hands of the several Deputy Directors, with only slight coordination indicated on the part of the DCI, with the Management Staff dangling off somewhere in an advisory capacity on a "when requested" basis.

Par. 5-e, f and g, which provide for employee and supervisory level participation in the program, are necessarily a part of a good program. However, a program which proposes to operate from the employee level upwards, without having first been firmly directed from the top down (and enforced), will not result in any material improvements.

6. REPORTS. a. The proposed reports system would add a very considerable work load on the operating elements. The need for submitting quarterly reports to the Management Improvement Staff (O&M Service) is open to question, considering the nebulous position of that staff in the proposed program - responsibility being located with the Deputy Directors entirely.

IN SUMMATION, if the directives referred to in the proposed regulation are to be taken at their face value, the President, the Congress and the Bureau of the Budget intended to direct the installation of an aggressive program to attain management improvements in all governmental elements. It must be assumed, I believe, that the DCI and the DDCI desire to have maximum efficiency in all phases of the Agency operation and that any short-comings in their operation result from their not being informed of actual conditions and/or because no sound corrective recommendations were brought to their attention. If this assumption is correct, it is of vital importance to the Management Improvement Staff to assure that the Agency

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Management Improvement Program is so written that it will provide the Director with the mechanism for obtaining information concerning problem areas in his organization, recommendations for improvement upon which he may issue directives concerning corrective action, and an organization to follow through on necessary implementation. This is not an operational problem and such a program placed in the hands of operational heads will not provide more than 'lip-service' compliance with the President's Executive Order. This sort of program is a management matter and the program should be written around a strong Management Office, by whatever name it may be called, having direct access to the DCI and DDCI for policy guidance, recommendation approval, and command support in the implementation of approved corrective measures. Such a program should be outlined in positive and aggressive terms and should provide for:

- a. The DCI/DDCI level being the determining echelon on problem matters and corrective measures to be taken.
- b. The establishment of the Management Improvement Staff as the Director's staff responsible to him for the program and for leadership in management improvement throughout the Agency.
- c. Management improvement consciousness, cooperation and support on the part of all Agency executives, Deputies and Staff and Office heads by direction of the DCI.
- d. Active conduct of studies and surveys looking to improvement and conducted by the Management Improvement Staff and by operating personnel where ever located.
- e. Citations and awards to operating personnel in all echelons for acceptable improvement suggestions and recommendations.

If the foregoing assumption is wrong, and if the Director does not choose to have strong program, then he should make the choice. The Management Improvement Staff should not make it for him by proposing a weak program. If, having considered and rejected a strong program, the Director chooses to comply with referenced directives in only the minimum degree, then the proposed Regulation might provide a 'lip-service' compliance, with some reconsideration in the matter of establishing management staffs in each Agency component.

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